

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

436A0732

HOUSE STATE AFFAIRS COMMITTEE

ENGROSSED NO. **HB1238** - 2/11/97

Introduced by: Representatives DeMersseman, Apa, Diedrich, Duniphan, Napoli, and Pederson  
(Gordon) and Senators Shoener and Whiting

1 FOR AN ACT ENTITLED, An Act to allow a video lottery machine operator to be owned by  
2 certain publicly traded companies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 42-7A-43 be amended to read as follows:

5 42-7A-43. Any person licensed as a video lottery machine manufacturer, distributor,  
6 operator, or lottery retailer shall submit to a background investigation. This includes each partner  
7 of a partnership and each director and officer and all stockholders of five percent or more in a  
8 parent or subsidiary corporation of a video lottery machine manufacturer, distributor, operator,  
9 or lottery retailer. A video lottery machine manufacturer or distributor shall meet the same  
10 requirements of subdivisions 42-7A-13(1) to (4), inclusive, and § 42-7A-14. A video lottery  
11 machine operator shall meet the same requirements of §§ 42-7A-13 and 42-7A-14, in addition  
12 to being a resident of the State of South Dakota and, if a partnership or corporation, the majority  
13 of ownership interest shall be held by residents of the state or by a public company licensed as  
14 a video lottery machine operator pursuant to chapter 42-7A prior to January 1, 1997, and traded  
15 on any market regulated or recognized by the United States Securities and Exchange

1   Commission. A lottery retailer shall meet the same requirements of §§ 42-7A-13 and 42-7A-14.  
2   Any applicant for any license under this chapter has the burden of proving his or her  
3   qualifications to the satisfaction of the commission and executive director. The commission may  
4   adopt rules pursuant to chapter 1-26 to establish additional requirements to preserve the integrity  
5   and security of the lottery.

1    **BILL HISTORY**

2    2/3/97 First read in House and referred to State Affairs. H.J. 262

3    2/7/97 Scheduled for Committee hearing on this date.

4    2/7/97 Deferred to another day. H.J. 361

5    2/10/97 Scheduled for Committee hearing on this date.

6    2/10/97 State Affairs Do Pass Amended, AYES 10, NAYS 2. H.J. 377